Chapter 3 -- Enrollment and Disenrollment Policies (OPL99.100)

Section 4.0 -- Enrollment Procedures

4.1 -- Completion of the Enrollment Form

A M+CO must accept elections it receives, regardless of whether they are received in a face-to-face interview or by mail. In either case, the individual must complete and sign an enrollment form.

If the enrollment form is completed during a face-to-face interview, the M+CO should attempt to use the individual's Medicare card to verify the spelling of the name, and to confirm the correct recording of sex, HICN, and dates of entitlement to both Medicare Parts A and B. If the form is mailed to the M+CO, the M+CO should attempt to verify this information with the individual via telephone or other means, or request that the individual include a copy of his/her Medicare card when mailing in the enrollment form. The M+CO should also obtain the individual's permanent residence address to determine that s/he resides within the M+C plan's service area (or continuation area, in the case of age-ins). If an individual puts a Post Office Box as his/her place of residence on the enrollment form, the M+CO may consider the enrollment form incomplete and must contact the individual to determine place of permanent residence. Refer to section 1.0 for a definition of "evidence of permanent residence."

A M+CO may not refuse to accept an enrollment form when an individual does not have his/her Medicare card available at the time s/he fills out an enrollment form; however, the enrollment form will not be considered "complete" until the M+CO has obtained evidence of entitlement to Medicare Part A and enrollment in Part B (refer to section 1.0 for a definition of "complete election" and "evidence of Part A and Part B coverage"; refer to section 4.1.1 for time frames for obtaining evidence of entitlement to Part A and enrollment in Part B). As mentioned in section 1.0 under the definition of "evidence of Part A and Part B coverage," a M+CO has the discretion to determine which type(s) of evidence will be considered sufficient to consider an enrollment form complete, as long as the M+CO applies that discretion consistently.

The M+CO must fill out the effective date of coverage block on the enrollment form according to the effective dates outlined in section 3.5. If the individual fills out the enrollment form in a face-to-face interview, then the M+CO representative may advise the individual of the proposed effective date, but must also stress to the individual that it is only a proposed effective date and that the individual will hear directly from the M+CO to confirm the actual effective date. The M+CO must notify the member of the effective date of coverage prior to the effective date (refer to section 4.2 for more

information and a description of exceptions to this rule), and must write the actual effective date on the enrollment form.

M+COs may not ask health screening questions during completion of the enrollment form. With the exception of elections from one M+C plan to another M+C plan in the same M+CO, in which the M+CO would already have this type of information, the M+CO must obtain information on whether the individual has ESRD, is enrolled in Medicaid, or is currently admitted to a certified Medicare/Medicaid institution. Queries for this information are included on the model individual enrollment form in Exhibit 1 and the model EGHP form in Exhibit 2. Responses to these queries are not considered to be health screening questions. With the exception of information obtained on ESRD status, the responses to these questions must not have an affect on eligibility to enroll in a M+C plan.

The individual must sign the enrollment form. If the individual is unable to sign the form, a legal representative must sign the enrollment form (refer to section 6.2 for more detail). If a legal representative signs the form for the individual, then a copy of the proof of court-appointed legal guardian, durable power of attorney, written advance directive, or proof of other authorization required by state law must be attached to the form. The individual and/or legal representative should also write the date s/he signed the enrollment form; however, if s/he inadvertently fails to include the date on the enrollment form, then the stamped date of receipt that the M+CO places on the enrollment form may serve as the signature date of the form.

If the M+CO receives and enrollment form that was signed more than 30 days prior to the M+CO's receipt of the form, the M+CO is encouraged to contact the individual to re-affirm intent to enroll prior to processing the enrollment.

If the M+CO representative, or any other person, helps the individual fill out the enrollment form, then the M+CO representative or person must also sign the enrollment form and indicate his/her relationship to the individual. However, the M+CO representative does not have to co-sign the form when: (1) s/he pre-fills the individual's name and mailing address when the individual has requested that an enrollment form be mailed to him/her, (2) s/he fills in the effective date of coverage information, and/or (3) s/he corrects information on the enrollment form after verifying information (see section 7.0). The M+CO representative does have to co-sign the form if s/he pre-fills any other information, including the individual's phone number.

The M+CO must date stamp all enrollment forms as soon as they are received by the M+CO. If the enrollment form is completed at the time it is date stamped, then the date stamp is equivalent to the "receipt date" (refer to section 1.0 for definitions of "receipt of election" and "completed election"). If the enrollment form is not complete at the time it is date stamped, then the additional documentation required for the enrollment form to be complete must be date stamped as soon as it is received. The date stamp on the last piece of additional documentation received will then serve as the "receipt date."

A M+CO must give the individual 30 days to provide any documentation necessary to complete the enrollment form (e.g., copy of durable power of attorney), as outlined in section 4.1.1. The M+CO must document all efforts to obtain additional documentation to complete the enrollment form and have an audit trail to document why the enrollment form needed additional documentation before it could be considered complete. If the additional documentation is not received within 45 days of request (i.e., after allowing for the 30 days plus an additional 15 days for information to be received and logged in by the M+CO), the M+CO must send a denial of enrollment letter with the appropriate box checked (see Exhibit 7 for a model denial of enrollment letter).

Once the enrollment form is "complete" (based on the definition in section 1.0), then the enrollment form is considered to be "received" by the M+CO for the purposes of determining the effective date. Within 30 days of receipt of the completed enrollment form, the M+CO must either deny the enrollment (for example, because it is clear that the individual lives outside the service area) or submit the information necessary for HCFA to add the beneficiary to its records as an enrollee of the M+CO. M+COs are encouraged to submit transactions by the M+CO processing cutoff date (refer to Chapter 19). Note: the 30-day requirement to submit the transaction does not delay the effective date of the individual's coverage under the plan, i.e., the effective date must be established according to the procedures outlined in section 3.5 and 3.7.

4.1.1 -- When The Enrollment Form is Incomplete

At the time of enrollment, if the individual does not have sufficient evidence of entitlement to Medicare Part A and enrollment in Part B (refer to section 1.0 for a definition of "evidence") or if a durable power of attorney or other required enrollment information is needed, then the M+CO must explain to the individual that this information is required in order to process the enrollment.

If the individual has not provided evidence of entitlement to Medicare Part A and enrollment in Part B at the time of enrollment, the M+CO must check available systems (e.g., MCI World Comm Advanced Networks , Litton, CWF) within 5 business days of receipt of the enrollment form to determine if the individual is entitled to Medicare Part A and enrolled in Part B. If the systems indicate that the individual is entitled to Part A and enrolled in Part B, and the M+CO has all the other information it needs to complete the enrollment form, then no further documentation from the individual would be needed and the enrollment form is considered complete. If evidence is not available, then the M+CO must promptly contact the individual, as described in the next paragraph.

To obtain information to complete the enrollment form, the M+CO must contact the individual to request the information (see Exhibit 5 for a model letter). If the contact is made orally, the M+CO must document the contact and retain the documentation in its records. The M+CO must explain to the individual that the individual has 30 days in which to submit the additional information or the enrollment will have to be denied. Since an incomplete election form is an invalid enrollment (as explained in section 4.6), if the additional documentation is not received within 45 days of request (i.e., after

allowing for the 30 days plus an additional 15 days for information to be received and logged in by the M+CO), the M+CO must send a denial of enrollment letter with the appropriate box checked (see Exhibit 7 for a model denial of enrollment letter).

Once the enrollment form is complete, the M+CO must send the individual the information described in section 4.2 within the prescribed time frames. There are instances when a complete enrollment can turn out to be not legally valid. These instances are outlined in section 4.6.

4.2 -- Information Provided to the Member

Prior to the effective date of coverage the M+CO must provide the member with all the necessary information about being a Medicare member of the M+CO, including the M+CO rules and the member's rights and responsibilities.

Prior to the effective date, the M+CO must also provide the following to the individual:

- A copy of the completed enrollment form, if the individual does not already have a copy of the form. A model individual enrollment form is shown in Exhibit 1; a model EGHP enrollment form is shown in Exhibit 2; a model abbreviated enrollment form is shown in Exhibit 3.
- A letter acknowledging receipt of the completed enrollment form (refer to Exhibit 4 for a model letter) and showing the effective date of coverage.
- Evidence of health insurance coverage so that s/he may begin using plan services as of the effective date (note: this is not the same as the "EOC" document described in Chapter 5). This evidence may be in the form of member cards, the enrollment form, and/or a letter to the member (refer to Exhibit 4, which is a model letter with optional language that would allow the member to use the letter as evidence of health insurance coverage until s/he receives a member card). Note: if the M+CO does not provide the member card prior to the effective date, it must provide it as soon as possible after the effective date.

HCFA recognizes that in a few cases each month, the M+CO will be unable to mail the materials and notification of the effective date to the individual prior to the effective date. These cases will only occur in the last few days of a month during an OEP, or in the last few days of an SEP or an ICEP, when a completed enrollment form is received by the M+CO and the effective date is the first of the upcoming month. In these cases, the M+CO must mail the member all materials described above no later than 5 business days after receipt of the completed enrollment form. In these cases, the M+CO is also strongly encouraged to call the member within 1 business day after the effective date to provide the effective date and explain the M+CO rules.

Regardless of whether an election is made in a face-to-face interview or by mail, the M+CO must explain:

- The charges for which the prospective member will be liable, e.g., any premiums, co-insurances, fees or other amounts; and any amount that is attributable to the Medicare deductible and coinsurance.
- The prospective member's authorization for the disclosure and exchange of necessary information between the M+CO and HCFA.
- The lock-in requirement. The M+CO must also obtain an acknowledgment by the individual that s/he understands that care will be received through designated providers except for emergency services and out of area urgent needed care.
- The potential for member liability if it is found that the member is not entitled to Medicare Part A and Part B at the time coverage begins and the member has used M+C plan services after the effective date.
- The effective date of coverage and how to obtain services prior to the receipt of an ID card (if the M+CO has not yet provided the ID cards).

4.3 -- Format of Enrollment Forms

The M+CO must use an enrollment form that complies with HCFA's guidelines on format and content. A model individual enrollment form is included as Exhibit 1; a model EGHP enrollment form is included as Exhibit 2; a model abbreviated enrollment form is included as Exhibit 3.

The M+CO's individual and/or EGHP enrollment form must include statements that the member:

- Agrees to abide by the M+CO's membership rules as outlined in material provided to the member, including the lock-in provisions;
- Authorizes the disclosure and exchange of necessary information with HCFA;
- Understands that enrollment in the M+C plan automatically disenrolls him/her from any other M+C, HCPP, or cost plan in which s/he is enrolled;
- Understands that enrollment in more than one plan with the same effective date will cancel all of the attempted enrollments;
- Knows the date s/he must begin receiving care through the M+C plan, i.e., the effective date; and,
- Knows s/he has the right to appeal service and payment denials made by the plan.

The abbreviated enrollment form, if used by the M+CO, must include statements that the member:

- Agrees to abide by the M+CO's membership rules as outlined in material provided to the member, including the lock-in provisions;
- Authorizes the disclosure and exchange of necessary information with HCFA; and,
- Knows the date s/he must begin receiving care through the M+C plan, i.e., the effective date.

No enrollment form may include a question regarding whether the individual receives hospice coverage or any other health screening information, with the exception of questions regarding ESRD status.

Refer to section 6.3 for requirements regarding retention of enrollment forms.

4.4 -- Processing Enrollment Forms

The M+CO must maintain a system for receiving, controlling, and processing enrollments into the M+C plan. This includes:

- Dating each enrollment form as of the date it is received (regardless of whether it is "complete" when received by the M+CO) to establish the date of receipt;
- Dating supporting documents for enrollment forms as of the date they are received, with the last piece of information establishing the "date of receipt" of enrollment forms that were incomplete when originally received;
- Assuring that each individual who enrolls (whether previously a member of the M+CO or not) receives a signed copy of the completed enrollment form;
- Processing enrollment forms in chronological order by date of receipt of completed enrollment forms when the M+C plan is open for enrollment (refer to section 4.5 for procedures when the M+C plan is closed for enrollment);
- Transmitting enrollment information to HCFA within 30 days after receiving the completed enrollment form from the individual or the employer (whichever applies), or the date a vacancy occurs. (Note: with regard to EGHP forms, the M+CO must transmit the enrollment information within 30 days of the receipt of the completed form from the employer, but the effective date may be up to 90 days retroactive, as discussed under section 7.6);
- Notifying the individual in writing to acknowledge receipt of the completed enrollment form and to provide the effective date within the time frames described under section 4.2 (see Exhibit 4 for model letter); and,
- Notifying the individual in writing to deny an incomplete enrollment once 45 days have passed since requesting additional documentation on an incomplete enrollment form. Or, notifying the individual in writing to deny an enrollment based on the M+CO's determination of the individual's ineligibility to enroll (see Exhibit 7 for model letter) within 5 business days of that determination; and,
- Notifying the individual in writing of HCFA's acceptance or rejection of his/her enrollment within 7 business days of the availability of the reply listing (see Exhibits 6 and 8 for model letters).

Please note, a M+CO need not reject an enrollment upon receipt of the initial HCFA reply listing if the reply listing rejects the enrollment for no Medicare Part A and/or no Medicare Part B. Instead, the M+CO has up to 45 days from the availability of the initial reply listing to request a retroactive enrollment if the individual has proven entitlement to Medicare Part A and enrollment in Medicare Part B. If the 45 days have passed without proof of entitlement to Part A and enrollment in Part B, the M+CO must deny the enrollment and notify the individual of the denial in writing (see Exhibit 7 for a model

letter). If a M+CO denies an enrollment and later receives additional information from the individual showing entitlement to Medicare Part A and enrollment in Part B, the M+CO must obtain a new enrollment form from the individual in order to enroll the individual, and must process the enrollment with a current (i.e., not retroactive) effective date. Refer to section 7.4 for more information regarding retroactive enrollments and the 45-day requirement.

4.5 -- Enrollment Processing During Closed Periods

As described in section 4.4, a M+CO must process elections in chronological order by date of receipt of completed enrollment form when it is open for enrollment. However, a M+CO may close a M+C plan during the OEP (as described in section 3.3) or when it reaches a HCFA-approved capacity limit. This section addresses procedures for handling enrollments that arrive at the M+CO when a M+C plan is closed for enrollment and for processing those enrollments when the M+C plan re-opens or a vacancy occurs.

If a M+CO believes its M+C plan does not have the capacity to accept additional members, or as the M+C plan enrollment grows and the M+CO estimates it may reach capacity during its next open enrollment period, the M+CO may request a HCFA-approved limit on enrollment.

A capacity limit allows a M+CO to close or limit enrollment during the AEP, ICEP, and SEP. Only with a reserved vacancy may a M+CO set aside vacancies for enrollment of conversions. Refer to Chapter 2 and OPL 99.095 for more detail on how and when to request a capacity limit.

4.5.1 -- Procedures After Reaching Capacity

If the number of individuals who elect to enroll in a M+C plan exceeds a HCFA-approved capacity limit, then the M+CO may limit enrollment of these individuals, but only if it provides priority in acceptance. This priority requires that the M+CO process enrollments from individuals who elected the M+C plan prior to HCFA determination that the capacity has been exceeded in chronological order, based on date of receipt of the completed enrollment form, and in a manner that does not discriminate on the basis of any factor related to health as described in 42 CFR 422.110.

If a M+CO receives completed enrollment forms between the time it reaches its limit and the time HCFA approves the limit, it may follow one of two options after it receives approval from HCFA to limit enrollment: (1) deny the enrollment due to the onset of the capacity limit, or (2) place the enrollment on a waiting list to be processed as vacancies occur in the priority of acceptance described above. The M+CO must take the same action for all enrollment forms received. See below for procedures for following options 1 or 2.

After the enrollments discussed in the above paragraph are acted upon, the M+CO has similar options for handling any additional enrollment requests received while the plan is

closed for enrollment. The M+CO may follow one of two options: (1) deny the enrollment due to the capacity limit, or (2) place the enrollment on a waiting list to be processed when the plan re-opens for enrollment. However, to ensure no discrimination is applied to applications processed, all M+COs that use option #1 (i.e., deny enrollment) for enrollments discussed in the above paragraph, must continue to deny all enrollments received while the plan is closed for enrollment, and may not use option #2. The M+CO must take the same action for all enrollment forms received.

In the case of enrollments received after the plan closes for enrollment, the date the M+C plan re-opens becomes the "receipt date" of enrollment forms received when the plan was closed. For example, if the plan was closed in April and re-opens on May 1, then the receipt date of enrollment forms received in April is May 1. See below for procedures for following options 1 or 2.

If the M+CO uses option #1, it must notify the individual in writing that it is denying the enrollment within 5 business days after it receives the enrollment form or after the M+CO receives approval from HCFA to limit enrollment. Please note that HCFA encourages M+COs to use this option if they expect that there will be no enrollment opportunities for longer than one month. This reduces the likelihood of multiple transactions and/or mistaken disenrollments that would occur if a potential applicant enrolls in another M+C plan while waiting for the original M+C plan to re-open.

If the M+CO uses option #2 above, it must notify the individual in writing that s/he has been placed on a waiting list within 5 business days after the M+CO receives the enrollment form or after the M+CO receives approval from HCFA to limit enrollment. The notice must also provide an estimated length of time that the individual will be on a waiting list and instruct the individual that he may cancel his enrollment before a vacancy occurs.

As enrollment spaces become available, if the plan was closed for more than 30 days since the receipt of the enrollment form, the M+CO must contact (orally or in writing) the individual to re-affirm the individual's intent to enroll before processing the enrollment. Within 5 business days after contacting the individual, the M+CO must send written notice of intent to not process the enrollment to all individuals who state they are no longer interested in being enrolled in the M+C plan.

For individuals who indicate their continued interest in enrollment, the M+CO must document the individual's expressed interest to continue enrollment. This may be done via phone contact report, notation on the enrollment form, etc. These enrollments must be processed in chronological order, based on date of receipt of the completed enrollment form, and in a manner that does not discriminate on the basis of any factor related to health as described in 42 CFR 422.110.

4.5.2 -- Procedures After Closing During the OEP

As stated in section 3, a M+C plan must accept all elections made during the AEP, ICEP, or SEP, even if it is closed during the OEP. However, a M+C plan may not process OEP enrollments when it is closed for enrollment during the OEP.

If a M+C plan is closed during the OEP and receives new OEP enrollment forms or documentation to complete OEP enrollment forms already received by the M+CO, then the M+CO may do one of the following. The M+CO must take the same action for all enrollment forms received while the plan is closed:

1. deny the enrollment, or,
2. continue to accept the completed enrollment forms to be placed on a waiting list.

If the M+CO uses option #1 above, it must notify the individual in writing that it is denying the enrollment within 5 business days after it receives the enrollment form. Please note that HCFA encourages M+COs to use this option if they expect that there will be no enrollment opportunities for longer than one month. This reduces the likelihood of multiple transactions and/or mistaken disenrollments that would occur if a potential applicant enrolls in another M+C plan while waiting for the original M+C plan to re-open.

If the M+CO uses option #2 above, it must notify the individual in writing that s/he has been placed on a waiting list. The notice must inform the individual that the enrollment request will not be processed until the plan re-opens for enrollment, must include the date the plan will re-open, and must inform the individual that s/he may cancel the request for enrollment before the plan re-opens. All individuals who wish to wait for an opening must be placed on the waiting list.

After the M+C plan re-opens, if the plan was closed for more than 30 days since the M+CO received of the enrollment form, it must contact (orally or in writing) the individual to re-affirm the individual's intent to enroll before processing the enrollment. Within 5 business days after contacting the individual, the M+CO must send written notice of intent to not process the enrollment to all individuals who state they are no longer interested in being enrolled in the M+C plan.

For individuals who indicate their continued interest in enrollment, the M+CO must document the individual's expressed interest to continue enrollment. This may be done via phone contact report, notation on the enrollment form, etc. The date the M+C plan re-opened becomes the "receipt date" of enrollment forms received when the plan was closed. For example, if the plan was closed in April and re-opens on May 1, then the receipt date of enrollment forms received in April is May 1.

4.6 -- Enrollments Not Legally Valid

When an enrollment is not legally valid, a retroactive disenrollment action may be necessary (refer to section 7.5 for more information on retroactive disenrollments). In addition, a reinstatement to the plan in which the individual was originally enrolled may

be necessary if the invalid enrollment resulted in an individual's disenrollment from his/her original plan of choice.

An enrollment that is not complete, as defined in section 1.0, is not legally valid. In addition, an enrollment is not legally valid if it is later determined that the individual did not meet eligibility requirements at the time of enrollment. For example, an enrollment is not legally valid if a M+CO determines at a later date that the individual provided an incorrect permanent address at the time of enrollment and the actual address is outside the M+C plan's service area.

There are also instances in which an enrollment that appears to be complete can turn out to be not legally valid. In particular, HCFA does not regard an enrollment as actually complete if the member or his/her representative did not intend to enroll in the M+CO. If there is evidence that the member did not intend to enroll in the M+CO, the M+CO should submit a retroactive disenrollment request to the HCFA RO. Evidence of lack of intent to enroll by the member may include:

- Continuing supplemental (Medigap) insurance coverage after receipt of the confirmation of enrollment letter from the M+CO (refer to Exhibit 6 for a model confirmation letter); or,
- An enrollment form signed by the member when a legal representative should be signing for the member; or,
- Request by the individual for cancellation of enrollment before the effective date (refer to section 7.2 for procedures for processing cancellations); or,
- Enrolling in a supplemental insurance program immediately after enrolling in the M+CO; or,
- Receiving non-emergency or non-urgent services out-of-plan immediately after the effective date of coverage under the plan.

Payment of the premium does not necessarily indicate an informed decision to enroll. For example, the member may believe that he/she was purchasing a supplemental health insurance policy, as opposed to enrolling in a M+CO. In addition, use of a M+C plan doctor does not necessarily indicate an understanding of the lock-in requirement if the doctor also treats non-plan members.

4.7 -- Enrollment Procedures for Medicare MSA Plans

Medicare MSA plans must follow the procedures outlined in sections 4.1, 4.2, and 4.4, 4.5.1, and 4.6. However, with respect to section 4.1, Medicare MSA plans may ask whether an individual has hospice coverage during the enrollment process, since hospice patients are not eligible to enroll in a Medicare MSA plan.

Instead of using the enrollment form outlined in section 4.3, Medicare MSA plans should refer to the model Enrollment Form and Trustee/Custodian Account Application shown in Exhibits 23 and 24. Medicare MSAs may include a question regarding use of hospice benefits on the enrollment form.